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Attorneys for USACM Liquidating Trust

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

USA COMMERCIAL MORTGAGE
COMPANY,

USA CAPITAL REALTY ADVISORS,
LLC,

USA CAPITAL DIVERSIFIED TRUST
DEED FUND, LLC,

USA CAPITAL FIRST TRUST DEED
FUND, LLC,

USA SECURITIES, LLC,

Debtors.

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC
- ☐ USA Securities, LLC

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR
Case No. BK-S-06-10729-LBR

CHAPTER 11

Jointly Administered Under Case No.
BK-S-06-10725 LBR

**DECLARATION OF EDWARD M.
BURR IN SUPPORT OF OMNIBUS
OBJECTIONS TO PROOFS OF
CLAIM BASED UPON
INVESTMENT IN THE
OPAQUE/MT. EDGE \$7,350,000
LOAN**

Date of Hearing: December 20, 2007
Time of Hearing: 9:30 a.m.

I, Edward M. Burr, hereby declare under penalty of perjury that:

1. I am a principal with Sierra Consulting Group, LLC ("Sierra"). Sierra is one of the leading providers of restructuring advisory and litigation support services in the Southwest. Sierra is a leading national consulting firm comprised of experienced CPAs and other financial professionals.

1 2. I submit this declaration on behalf of the USACM Liquidating Trust's
2 Objections to Proofs of Claim filed this date.

3 3. This Court approved the Official Committee of Unsecured Creditors of USA
4 Commercial Mortgage Company's ("Committee") appointment of Sierra as financial
5 advisers on August 11, 2006. Since that date, I have assisted the Committee in analyzing
6 facts concerning these jointly administered bankruptcy cases. As of the Effective Date of
7 the confirmed Plan of Reorganization, Sierra is retained by the USACM Liquidating Trust
8 to investigate and reconcile the claims against the USA Commercial Mortgage Company
9 ("USACM") estate.

10 4. I make the following declaration based upon my personal knowledge, and
11 upon the records of the Debtors described in this declaration, including Debtors' original
12 and amended schedules of liabilities and the proofs of claim described herein, as well as
13 Debtors' accounting records.

14 5. On April 13, 2006 (the "Petition Date"), USACM and other debtors filed
15 voluntary petitions for relief under chapter 11 of the Bankruptcy Code. USACM
16 continued to operate its business as a debtor-in-possession pursuant to sections 1107(a)
17 and 1108 of the Bankruptcy Code, under new management by Thomas J. Allison of
18 Mesirow Financial Interim Management, LLC ("Mesirow"), who served as the Chief
19 Restructuring Officer.

20 6. On January 8, 2007, the Court entered an order confirming the Plan [Docket
21 No. 2376]. On the March 12, 2007 Effective Date of the Plan, the USACM Liquidating
22 Trust succeeded to USACM's rights with respect to books and records.

23 7. Sierra has been working closely with both the Trustee for the USACM
24 Liquidating Trust and Development Specialist Inc. ("DSI"), the Trustee's financial
25 advisor, in evaluating all of the claims that were filed in the USACM estate.
26

LEWIS
AND
ROCA
LLP
LAWYERS

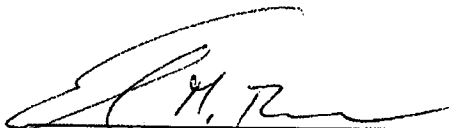
1 8. **Exhibit A**, attached, lists Proofs of Claim that appear to be based, in whole
2 or in part, upon an investment in the Opaque/Mt Edge \$7,350,00 ("Opaque Loan").
3 **Exhibit A** identifies the Proof of Claim number, the claimant, the claimant's address, the
4 total amount of the claim and the total amount of the claim that appears to be related to the
5 Opaque Loan based upon the information provided by the claimant.

6 9. We are advised by the loan servicer, confirmed by payment records, that on
7 or about April 27, 2006, the Opaque Loan was paid in full, as reflected in USACM's
8 books and records. Shortly thereafter, USACM processed the payoff and distributed the
9 proceeds to the Direct Lenders on the Opaque Loan.

10 10. The Direct Lenders were paid in full, subject to servicing fees and any other
11 charges under their respective Loan Servicing Agreements and this Court's orders,
12 including the Confirmation Order. In general, the Direct Lenders received their principal
13 and interest on the Opaque Loan, less sums withheld for Prepaid Interest and sums known
14 as the 2% Holdback. On the Effective Date of the Plan, the Prepaid Interest was applied, a
15 portion of the 2% Holdback was applied to the allowed claims of the Direct Lender
16 Committee, and the balance paid to the Direct Lenders.

17 11. Accordingly, the USACM Trust no longer has further obligations to the
18 Direct Lenders arising out of the Opaque Loan because, pursuant to USACM's books and
19 records, the Opaque Loan has been repaid in full, and the Direct Lenders have received
20 such payment.

21 Dated: November 20, 2007

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24 
25 Edward M. Burr
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1 Copy of the foregoing mailed by first class
2 Postage prepaid U.S. Mail on
3 November 20, 2007 to:

4 All parties in interest listed on
5 Exhibit A attached.

6 s/ Renee L. Creswell
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8 Renee L. Creswell
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